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AREA OR COUNTRY(S)	ORGANIZATIONS	FUNCTIONS & TOPICS	PERSONALITIES	DOCUMENT
HQ	OO CIG CIA	T/O Functions		DATE: 1952
Global	FBID*	Press Industry		
UK	FDD**	Intell (collection)		
USSR	OCD OSO	History Radio <del>Operations</del>		
	Contact Div.	Defectors Documents		CLASS.: S
	Sovmat Staff	Operations. Dulles report		NO.:
IDENTIFICATION OF DOCUMENT (author, form, address, title & length) Organization: Personnel <b>CONTACTS</b>				LOCATION: <b>HS/HC-113-117</b> ✓
Draft History of Office of Operations (1946-1952). Five Chapters condensed by [redacted] Historical Staff; 200 pp. 25X1				

**ABSTRACT**

This is a draft history of the Office of Operations consisting of five chapters - Overt Collection and the OO, the Contact Division, the [redacted] the Foreign Document Division\*\*, **STATSPEC** and the SOVMAT Staff. Each chapter is divided into the following sections: pre-CIG period, transfer to CIG, growth and development (CIG-CIA), field organization, sources and production of materials, special divisional functions and problems and appendices including organization charts, T/O totals, executive personnel lists and general data plus various backup papers.

FORM 2523 OBSOLETE PREVIOUS EDITIONS

**HISTORICAL STAFF SOURCE INDEX**

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INSTRUCTIONS  
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App. III

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in Organization Charts folder.

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A major obstacle to the accomplishment of the Sovmat mission has been the dearth of opportunity to acquire or even to examine Soviet products. Traditionally, the BSSR has been an exporter of materials and an importer of finished products. While substantial progress has been made, the USSR is still far from producing a significant surplus of processed items for export. Such items as are exported are likely to be placed where they will do the most political good for mother Russia. This results in collection difficulties naturally attending attempts to take subsidised exports out of Communist hands without breach of USA Security. Likewise, Soviet military equipment representative of Russias best technological achievements is heavily guarded and rarely committed in combat where it is exposed to capture.

Despite all difficulties, there is good potential for acquiring limited quantities of Soviet products for technical examination. The problem is to make these limited opportunities count to the utmost. This can be accomplished only by the establishment of the very best requirements to guide collectors in spending money, time, and possibly men, where the results will be most telling. Educational efforts are continuing with the objective of drawing forth from all users of Sovmat information the ~~very best~~ and most significant guidance obtainable for the formulation of needed requirements.

8 May  
1952

This is further information added by   
 Chief, Sovmat. It has been added to the  
 condensed draft but does not appear in the  
 original report submitted by him  
*WJH*

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CHAPTER V

HISTORY OF THE

SOVMAT STAFF

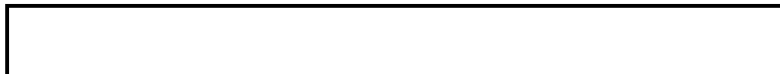
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of Sovmat Staff

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OO HISTORY  
Chapter V

SOVMAT STAFF

30 January 1952

**SECTION A:**

Technical intelligence has been derived from the examination and testing of enemy materiel in all modern wars. No activity comparable to the Sovmat Program existed, however, in the pre-CIG days. In 1945-46 and 46 we were emerging from a period in which our military alliance and wartime sympathies rendered repugnant to many, the designation of Soviet activities or materiel as intelligence targets.

**SECTION B:**

On 7 August 1947, a meeting was held, at which each of the IAC Agencies was represented, to discuss the possibility of examining articles produced within the Soviet sphere of influence as indices of Soviet capabilities in war and peace. No progress resulted from this meeting, which seems to have confined itself to general indorsement of the idea and tacit recommendation that something be done about it, preferably in the CIA.

By 1949, considerably more American concern with Soviet intentions and capabilities was evident. At that time the "Sovmat" idea was revived. Evidence of this renewed interest is found in State Department Moscow Dispatch Number 558, dated 1 October 1949, which said in part: "A thoroughgoing analysis should be undertaken of the missions of the various U. S. Government agencies engaged in the gathering and evaluation

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of information on Soviet-dominated areas with priority accorded the necessary regroupings and reallocations to achieve the maximum collection and evaluation of information enabling specific determination of the probable extent of the most critical Soviet and Soviet-Satellite industrial, technological, materiel and scientific shortages and shortcomings.....The following initial projects suggest themselves..... Procurement on a continuing basis of select industrial products from area countries with subsequent scientific laboratory analysis aimed at defining compositions, quality and probably processing."

The ORE of CIA submitted requirements for the acquisition and analysis of several items of Soviet production during December of 1949. The difficulty of fulfilling these requirements led to a series of conferences within the CIA and to a request for immediate negotiations among the Intelligence Agencies to establish an integrated program for the collection and analysis of Soviet-made items.

During the early months of 1950, a proposal was drafted and coordinated within the CIA for the establishment of a Sovmat program to accomplish the needed analysis of Soviet items. This proposal was submitted as a CIA Project during March of 1950. This proposal, designated as Project number [ ] (see Appendix 1), was approved with major scaling down by the DCI on 10 April 1950 as a "pilot program."

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The months between the approval of the project and 26 July 1950 were spent in preliminaries to the organization of an implementing staff and a search for a man to fill the position of Chief. On that date, Mr.

25X1

[ ] was appointed Chief, Sovmat Staff, Office of Operations.

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25X1 Since the project as approved provided for only two positions in the Sovmat Staff, [ ] and a secretary continued to operate the program until 19 September 1951 when [ ] was appointed as 25X1 the first addition to the Sovmat Staff. Operations in FY 50 were so limited that very few funds were expended from the \$50,000 provided in Project [ ] 25X1

SECTION C:

Accordingly, the Project was extended in FY 51 under the authority of Project number [ ] which provided an allocation of \$300,000 25X1 to be made available as needed.

The Sovmat Staff continued to operate as a one-man-show until expansion of the staff was authorized in [ ] (see Appendix 2), 25X1 approved 18 June 1951. This Project provided the sum of \$95,821 for the expansion of the OO Sovmat Staff by four field collection teams to participate with the military services in obtaining and analyzing name plate, serial number and other markings data from Soviet and Satellite equipment by use of photographic techniques.

In addition to the four field crews, [ ] provided for the 25X1 necessary headquarters support. The approved Sovmat T/O with this addition then consisted of [ ] (see Appendix 3). 25X1

Two of the authorized positions were filled by Mr. Clark and his secretary, Miss Alice Hardin. Additional personnel were recruited as follows:

<u>Name</u>	<u>EOD Date</u>
[ ]	19 September 1951

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Cont.	<u>Name</u>	<u>EOD Date</u>
25X1	<div style="border: 1px solid black; width: 200px; height: 150px;"></div>	15 October 1951
		22 October 1951
		14 December 1951
		26 December 1951
		14 January 1952

Other personnel are currently in process of recruitment and/or security clearance.

SECTION D:

As presently constituted, the Sovmat Staff has no field organization. Four teams are authorized as noted above for the collection of factory markings, but these personnel are part of the headquarters staff and operate only on TDY as assigned in the field. As will be apparent from Section E following, certain other essential activities in the field are discharged through existing facilities of the Intelligence Agencies on behalf of the Sovmat Staff.

SECTION E:

During fiscal year 1951, the Sovmat Staff produced and released 51 CIA Information Reports of the  Series covering 162 separate items. With the exception of one report evaluated C-2, all evaluations of this output were either "A" (of considerable value) or "B" (of value). During fiscal year 1952 (to 20 January 1952), 24 CIA Information Reports have been produced by the Sovmat Staff, representing the analyses of 76 separate items. No evaluation lower than "B" has been reported for these reports.

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To date (20 January 1952), the Sovmat Staff has succeeded in collecting 791 separate items of Soviet and Satellite production. The difference between the number of items collected (791) and the number of items for which analyses have been reported (238) is composed essentially of items not warranting technical exploitation because of their poor condition, items turned over to other IAC Agencies for technical examination and reporting appropriate to the potential of the selected agencies, certain items found more valuable (because of duplication and other factors) for operational use than for intelligence exploitation, and items in process of examination for which reports will be issued later.

Neither the number of items collected nor the number of reports released is, by itself, an accurate index of production because an item may consist of a box of identical pills capable of yielding information only from a limited series of tests, or it may consist of a complete vehicle or aircraft comprising thousands of components, each of which warrants some technical examination. Similarly, a report may consist of five sentences of significant intelligence information, or it may consist (as does Report No. [ ] of 465 pages of print. 25X1

The only type of publication ever issued by the Sovmat Staff is the CIA Information Report. Sovmat information reports are distinctively numbered in a series. All Sovmat report numbers contain the prefix [ ]. 25X1

Actual items of Soviet and Satellite production are collected in accordance with requirements coordinated by the Sovmat Staff through action of the Departments of State, Army, Navy, and Air Forces, as well

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as by field personnel of the OSO and Contact Division, OO.

Certain items are collected in very small numbers, while the  
[redacted] placed on them by their manufacturers are needed in  
great quantities to permit comparison, study, and interpretation of  
the information which they contain. Through this interpretation, the  
Techniques and Methods Division of the ORR is able to make accurate  
estimates concerning Soviet [redacted] as well  
as the cost to the Soviet economy in terms of manpower, materials,  
and machine capacity inherent in that production.

Currently, the Sovmat Staff is operating field crews principally  
within the U. S. A. which go to places where quantities of Soviet  
products are located [redacted]

[redacted]

In addition to collecting Sovmat items [redacted]

[redacted] the Sovmat

Staff collects information about material objects of Soviet and allied  
production, through technical examinations of the actual items. These  
technical examinations may consist of chemical, physical, metallurgical,  
or other analyses. Such analyses are performed by U. S. Government  
technical facilities such as the U. S. Bureau of Standards, by educational  
institutions such as the Stevens Institute of Technology, and by commercial  
and industrial organizations such as the U. S. Steel Corporation, Du Pont,

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and the Chrysler Corporation.

Arrangements for technical work are completed by personnel of the Sovmat Staff with the assistance of appropriate CIA Staffs and Services. Initial contact with non-government facilities is made by

25X1

SECTION F:

The general mission of the CIA assigns a responsibility for insuring that there is adequate coordination of activities conducted in the interest of producing national intelligence. More specifically, the terms of reference, established for the CIA Sovmat Program in  25X1 assigned to the Sovmat Staff responsibility for coordinating "the material collecting activities", and enjoined the Sovmat Staff against unnecessarily duplicating tests and analyses performed or to be made by other intelligence agencies.

First attempt to accomplish inter-agency coordination necessary to prevent duplication among material object intelligence exploitation activities of all agencies was through the formation of a sub-committee of the Scientific Intelligence Committee (SIC), which was called the Joint Soviet Materials Intelligence Committee (JSMIC). During August of 1950, representatives from each of the IAC Agencies were appointed to serve on the JSMIC, the CIA providing the Chairman. This committee was never effective in any way.

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The representative of the Department of the Army held from the beginning that no CIA program for the exploitation of Soviet and Satellite objects other than consumer's goods was legitimate, and that all exploitation of captured military equipment and supplies was a function of the agencies comprising the Department of National Defense.

These objections, with attendant, time-consuming debates, drafting and redrafting of terms of reference, and the soon-disclosed lack of authority on the part of committee members to act, finally led the SIC to recommend the abolition of the JSMIC. In this recommendation, which was accepted and acted upon 23 May 1951, the SIC held that coordination and planning of the actions of the Sovmat Program were not functions properly assigned to a subcommittee of the SIC.

Thus was the Sovmat program dealt a nearly fatal blow in its infancy. Lacking authority to direct coordination, the SIC subcommittee proved inept in persuasion designed to accomplish coordination by mutual agreement. A large measure of resentment brewed by this maneuvering was bequeathed to the Sovmat Staff. Fortunately, with passage of time and changes of assignment, most of the antagonism has evaporated.

Coincidentally, the Joint Chiefs of Staff (JCS) had directed the U. S. A. Joint Intelligence Committee (JIC) to work on the problem of coordinating military handling of Captured Enemy Materiel (CEM). The fruits of this labor were presented in JIC 456/38, approved 9 April 1951, which was entitled: "Armed Services Joint Intelligence Directive: Captured Enemy Materiel."

This directive, later implemented in SR 380-350-1; OPNAV Instr. 0386.2 and AFOIN- C/DD 350.09, which was approved by the three military

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Departments 6 July 1951, assigned to JMIA the mission of coordinating within the Z.L. the exploitation for intelligence purposes of foreign equipment acquired under U. S. military jurisdiction; coordinating among U. S. military agencies requirements for the intelligence exploitation of foreign equipment under the jurisdiction of CIA; and insuring adequate, prompt dissemination of the results of all technical exploitation of foreign equipment under U. S. military jurisdiction.

The Chief, Sovmat Staff, participated in conferences with the Green Team of the JIC, which drafted JIC 456/38. As a result of these deliberations, the CIA was given representation on the JMIA through an Advisor to the Director, JMIA. Currently, the "advisor" is a member of the Sovmat Staff.

To provide for a coordination of the interests of the Department of State, CIA, and AEC in foreign objects and for the representation of those interests at the JMIA, an agreement was negotiated, effective 10 July 1951, which provided that the CIA will represent the Department of State and the AEC in the exploitation for foreign intelligence purposes of material acquired by the military forces. Thus, a member of the Sovmat Staff acting as Advisor to the Director, JMIA, has responsibility for representing the interests of the three agencies named.

Currently, no formal requirement for coordination of activities of the Sovmat type with those of foreign Governments has been placed on the Office of Operations. Liaison has been established, however, on Soviet material matters, [REDACTED]

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Reports of the technical examination of Soviet and Satellite objects are

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25X1      exchanged between the CIA and the       In addition, the  has      25X1  
agreed to employ certain collection facilities in acquiring needed  
items for Sovmat analysis, and to obtain certain technical services in  
the analysis of items in which the CIA is interested.

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To : Director, CIA Date: 27 March 1950

From : Assistant Director, ORE  
Assistant Director, OSI  
Assistant Director, OO

Subject : Proposed Project (SOVMAT) for the Collection and  
Exploitation of Soviet Products for Intelligence Purposes

1. PROPOSED PROJECT. It is proposed to establish immediately a project to procure a variety of Soviet and Satellite products and manufactured items, including military materiel and industrial and consumers' goods, for laboratory test and analysis to supplement information available on the capabilities and limitations of Soviet and Satellite States.

2. BACKGROUND. A brief summary of background information concerning the proposed project is attached as TAB A.

3. JUSTIFICATION. The paucity of information being developed on Soviet technological, scientific and economic capabilities and new military materiel through conventional intelligence methods makes it imperative that a comprehensive procurement project be pursued intensively and with the greatest imagination and resourcefulness possible.

a. A thorough technical analysis of items of Soviet and Satellite manufacture will aid in the determination of the capabilities and limitations of the Soviet industrial establishment and of research and technology. Sample items that could be analyzed for such intelligence purposes are listed in TAB B.

b. Information obtained from a protracted attempt to obtain certain consumers' goods and the resulting analysis of availability data and substitutes will provide additional information on the potentiality of the Soviet economy and its production and distribution facilities.

c. Unclassified information illustrating the disparity in quality and cost of Soviet consumers' goods is of particular value to the VOA and OPC.

4. ORGANIZATION OF PROJECT. The project should be established by CIA, and should operate with the assistance of interested offices of the other IAC agencies. The details of the proposed organization are outlined below. A descriptive flow chart of this organization is attached as TAB C.

a. A SOVMAT working committee, established as a committee of the SIC and including representation from ORE, OCD, and OO, will be organized to provide technical guidance and assistance as follows:

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(1) Develop requirements for intelligence information and recommend items to be procured and analyzed.

(2) Establish requirements for intelligence information to be obtained in connection with the attempted procurement of material.

(3) Assign priorities to the intelligence information desired.

(4) Prepare test specifications for the intelligence data to be obtained from the analysis of material.

(5) Advise with respect to organizations capable of collecting and analyzing this material.

(6) Provide guidance in the operation of the program and assist in the evaluation of test data.

b. The Office of Operations will be charged with the responsibility for operation and administration of the project. It will have the following responsibilities:

(1) Based upon the advice of SOVMAT Committee, OO will establish and coordinate the material collecting activities with the following sources of procurement:

(a) U. S. Government agencies in coordination with OCD.

(b) U. S. firms and other organizations under the guidance of OO/C.

(c) OSO.

(d) OPC.

(2) Handle all records and test arrangements, provide for the proper receipt and handling of material, and monitor the flow of material received from the field to the research facilities.

(3) Guide the preparation of reports of material analysis, arrange for their review and evaluation by interested agencies, and complete final editing.

c. OCD will be responsible for the dissemination according to existing regulations of final reports prepared by OO to appropriate agencies through normal channels. These reports will be designated,

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5. COST OF PROJECT. The probable cost of this program cannot be determined with reasonable accuracy at this time. A pilot project implemented immediately for the balance of the Fiscal Year 1950 would serve to

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provide a basis for determining the extent of intelligence value and the optimum scope of the procurement program, the details of an efficient organization for the project, and the extent to which other government agencies can absorb the cost of the program. For planning purposes, it is estimated that purchases totalling not more than [ ] during Fiscal Year 1951 could provide initial coverage. Also administrative, testing and evaluating costs should not exceed [ ] during Fiscal Year 1951 due to an anticipated lapse of time before materials are received, and because of the proposed maximum use of existing agencies and industrial classified contract facilities. 25X1

## 6. RECOMMENDATIONS:

a. It is recommended that the subject project be implemented immediately as a pilot program using the proposed organization in paragraph 4 and personnel already available until qualified personnel described in TAB D are recruited as needed, and that [ ] be allocated to support initial costs for the balance of Fiscal Year 1950, using OSI external research funds, if necessary. 25X1

b. In order to provide for an expanded program, if justified by the recommended pilot project, it is further recommended that [ ] be tentatively allocated for Fiscal Year 1951 as outlined in TAB D. Final release of these CIA funds for the further support of the program, would depend upon indications obtained with the pilot project. 25X1

7. IMPLEMENTATION: In accordance with the recommendations listed in Paragraph 6, it is suggested the proposed project be considered by the Project Review Committee on or before Friday, 31 March 1950. It is also suggested that the proposed project be presented to the IAC at an early date. Attached as TAB E is a brief outline of the pertinent data contained in the body of this paper that could be used for such a presentation. Once the IAC agencies have generally agreed to a coordinated project under the direction of CIA, their interests will be represented through the SIC.

8. COORDINATION WITHIN CIA. Due to a lack of time, because of the urgency of presenting the proposed project to the Project Review Committee prior to 1 April 1950, formal concurrence has not been obtained from OCD, OPC, and OSO. However, the proposed project has been informally coordinated with the Assistant Directors of these offices and they have been provided an advance information copy of this paper. This paper has also been coordinated with members of both the Management and Budget Staff.

27 March 1950

/s/ Theodore Babbitt  
Ass't. Director, ORE

29 March 1950

/s/ H. Marshall Chadwell  
Ass't. Director, OSI

29 March 1950

[ ]  
Ass't. Director, OO

25X1

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Attached:

Tab A- Background Data

Tab B - List of Sample Material

C - Flow Chart of Proposed Organization

D - Outline of Est. Cost of Prop. Project

E - Summary of Proposed Project for IAC

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BACKGROUND DATA

Proposed Collection and Exploitation of Soviet

Material for Intelligence Purposes

1. The selective purchase of Soviet equipment for intelligence and development purposes was considered in the summer of 1947, but was abandoned.
2. In the summer of 1949, General O'Daniels, MA, Moscow, suggested a project for general intelligence purposes which would consist of the procurement of select industrial products available in Moscow for subsequent scientific laboratory analysis. This suggestion is significant in that it comes from a source which is in a position to furnish materials.
3. OIR has been investigating the possibilities of the project from the point of view of propaganda value through VOA.
4. As a result of General O'Daniels' suggestion, ID has obtained a list of items desired by the technical services of the Army for test by them. These Services have allocated approximately \$50,000 of their funds for procurement of these items by MA, Moscow. It is desirable that this activity be coordinated with corresponding requirements of other IAC agencies, and that consideration be given to a procurement program that extended beyond just Moscow and used additional collection agencies that are available.
5. ORE, OSI, and OO have completed a preliminary investigation of the possibilities offered by the subject project and tentative lists of material of economic and scientific value have been prepared. These offices concur that a worthwhile program can be established by using existing facilities wherever possible and exercising close coordination and detailed technical guidance.

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TAB A

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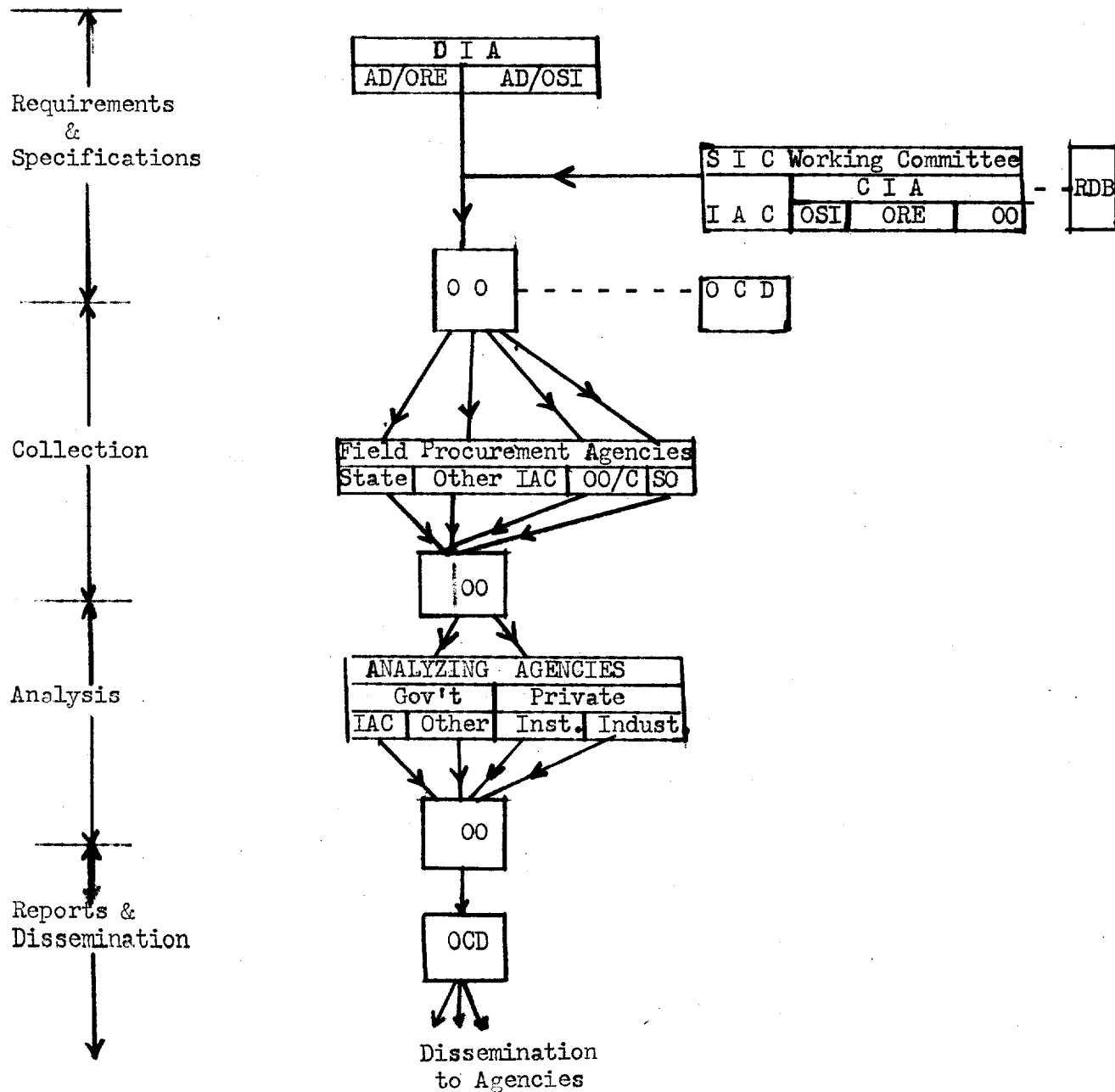
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FLOW CHART

PROPOSED ORGANIZATION FOR COLLECTION AND EXPLOITATION

OF SOVIET MATERIALS FOR INTELLIGENCE PURPOSES

OPERATION "SOVMAT"



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Tab C

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ESTIMATED COST OF PROPOSED "SOVMAT" PROJECT  
Fiscal Year 1951

1. Title: Collection and Exploitation of Soviet and Satellite materials for Intelligence Purposes.
2. Description and Justification: Included in paragraphs 1 through 4 of the covering paper.
3. Time required to complete project: Continuing project.

4. Estimate of Cost:

Vouchered Funds . . . . .		25X1
Unvouchered Funds . . . . .		
Total . . . . .		

a. Purchase of material - 1000 items:  
(See Note 1, next page)

(1) <span style="border: 1px solid black; display: inline-block; width: 350px; height: 15px;"></span>	25X1
(2) Crating, packing, special handling and transportation to the US-20% . . . . .	
Total . . . . .	

b. Analysis and transshipment in the US:  
(see Note 2)

(1) Analysis costs . . . . .		25X1
(2) Transshipment & Storage . . . . .		
(3) <span style="border: 1px solid black; display: inline-block; width: 450px; height: 40px;"></span>		

Total for Procurement and Test . . . . .

c. Personnel

(See Note 3)

TOTAL .

TAB D

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5. Outside Agency Support would be required in the transportation and test of materials. However, it is anticipated the bulk of this activity could be handled by existing personnel and facilities within the other agencies. A total of \$50,000 has been included to cover test contracts with industrial organizations and, where necessary, transportation and test assistance of other Government agencies.

\*\*\*\*\*

Note 1 - A preliminary survey of requirements of material to be acquired, particularly for the Technical Services of the Army, has indicated a wide diversity of items desired both as to nature and source. It is, of course, impossible to formulate a precise estimate of the actual cost of these items. Some of them may be procured on the open market at a fixed cost and others may be procured through other means at a cost which may not reflect the intrinsic value of the item. The figures used here are based on the best estimate available at the moment based on the comparable cost in the US double for the possible cost at the point of procurement depending upon current rate of exchange plus 20% for crating, packing, special handling, where necessary, and transportation to the US.

Note 2 - It is contemplated that a large portion of the analysis will be performed in Service installations and laboratories. In some cases, in order to satisfy overall analysis requirements, it will be necessary to trans-ship items to several laboratories. Furthermore, it is contemplated that in many instances it will be desired to procure an overall evaluation of the analysis from some outside agency such as educational institutions (MIT, CalTech, etc.) or from an industrial institution.

Note 3 - Maximum cost for Fiscal Year 1951. Actually, personnel build-up would take six to nine months.

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TAB D



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SUMMARY OF PROPOSED PROJECT (SOVMAT) FOR IAC

1. PROPOSED PROJECT. It is proposed to establish immediately a project to procure a variety of Soviet and Satellite products and manufactured items, including military materiel and industrial and consumers' goods, for laboratory test and analysis to supplement information available on the capabilities and limitations of Soviet and Satellite States.

2. JUSTIFICATION. The paucity of information being developed on Soviet technological, scientific and economic capabilities and new military materiel through conventional intelligence methods makes it imperative that a comprehensive procurement project be pursued intensively and with the greatest imagination and resourcefulness possible.

a. A thorough technical analysis of items of Soviet and Satellite manufacture will aid in the determination of the capabilities and limitations of the Soviet industrial establishment and of research and technology. Attached is a list of sample items that could be analyzed for such intelligence purposes (use TAB B).

b. Information obtained from a protracted attempt to obtain certain consumers' goods and the resulting analysis of availability data and substitutes will provide additional information on the potentiality of the Soviet economy and its production and distribution facilities.

c. Unclassified information illustrating the disparity in quality and cost of Soviet consumers' goods is of particular value to the VOA.

3. BACKGROUND.

a. In the summer of 1949, General O'Daniels, MA, Moscow, suggested that certain industrial products could be procured in Moscow for subsequent analysis for intelligence purposes. As a result, ID has obtained a list of items desired by the technical services of the Army for test by them. These Services have indicated a willingness to allocate approximately \$50,000 of their funds (FY 1950) for procurement of these items by MA, Moscow.

b. A brief investigation revealed that ONI has been receiving similar items from COMNAV FORGER that have been acquired through the Soviet Zone of Germany. These include clothing, shoes, fountain pens, sample of synthetic rubber, etc. Also, the Air Corps has a formal project under Air Materiel Command, with requirements established for items of Soviet Military materiel.

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c. It appears desirable that these activities be coordinated to avoid duplication, to provide for optimum use of all available procurement and test agencies, and to permit the collection of a maximum amount of intelligence information on a priority basis.

4. ORGANIZATION OF PROJECT. It is proposed that the project be established under the direction of CIA, and that it operate with the assistance and mutual financial support of interested offices of the other IAC agencies, whose interests will be represented through the Scientific Intelligence Committee.

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TAB E

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ACTION BY DIRECTOR, CIA (Cont.)

CIA Project [ ] is approved subject to the following comments: 25X1

25X1 1. The sum of [ ] for the present fiscal year for the purchase and analysis of Soviet material is approved.

2. The sum of [ ] for fiscal year 1951 is approved subject to this total amount being available out of our present proposed budget for 1951. However, before any such sum as [ ] is allotted, it is directed that the Management people in consultation with the Executive, Budget Officer, and AD/00 re-examine the "Estimated Cost of Proposed SOVMAT Project - Fiscal Year 1951" (Tab D of the attached report). 25X1 25X1

3. To the Director of Central Intelligence, it seems totally unrealistic to spend approximately 45% of the funds for what appears to be personnel whose duties seem to be more or less administrative in nature. It is noted that for an estimated expenditure of [ ] for procurement, transportation, and analysis, there is to be expended the sum of [ ] to check on such things. 25X1 25X1

4. The number of people requested in paragraph 4c. for augmentation of OO/C also seems to be totally unrealistic. There are too many Generals and not enough soldiers. I see no reason why one Chief and three or four clerical people cannot do all that is required of them. The estimated number of personnel as stated in Tab D is DISAPPROVED until further justification is presented to the Director.

5. In any case, this Project is to start in a small way and be increased or eliminated later depending on the results shown. In any case, the personnel costs are entirely out of line with, as was said above, the costs of the material, its transportation, and its analysis.

signed

R. H. HILLENKOETTER  
Rear Admiral, USN  
Director of Central Intelligence

10 April 1950

NOTE: The above action by the Director confirms the findings and recommendations of the PRC on this project.

The Management officer will assemble the interested officials in the near future in an initial conference to establish general basic implementing procedures.

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[ ]  
Acting Executive.

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There is general agreement among the intelligence agencies that a program for procurement, analysis, and evaluation of Soviet materials would be of definite intelligence value. It would also be of value in other ways to VOA and OPC. It is proposed that CIA initiate such a program for such procurement by overt agencies of the government and by covert activities of CIA. The requirements and priorities will be set by a committee of the SIC, with ORE, OCD, and OO represented. A control point will be set up by OO to assign and follow up on analysis and evaluation of the products both within the government and by private industry, and to report results. OO reports will be disseminated through OCD. Estimates of volume must await procurement experience. but to initiate the program, an allocation of [ ] fiscal year 1950, for procurement costs is proposed. In addition, ORE and OSI will each need an additional Requirements Officer, and OO will need one to three persons to establish the control point. If successful, the program will need additional funds and personnel in the fiscal year 1951, and it is recommended that an allocation of [ ] be made for 1951, to be made available as needed. It is expected that other departments will afford financial support for materials of special interest to them.

25X1

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UV

07. Other Contractual Services ..... 1950:  
 08. Supplies and Materials ..... 1951:

25X1

1950:  
1951

Unvouchered funds are authorized to facilitate covert procurement, but vouchered funds will be used so far as practicable. Existing CIA facilities and channels will be utilized to the fullest extent, including Special Support Staff in connection with receipt, storage, transportation and accounting for material and negotiation of testing and other contracts, or similar arrangements with governmental technical facilities; OCD for the processing of collection requirements; etc. The Management Staff will coordinate the establishment of appropriated organizational and procedural requirements to support this project.

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**APPENDIX III**

CIA Project No. [REDACTED]

25X1

Dated : 18 June 1951

Project Title : [REDACTED]

25X1

Project Duration: Fiscal Year 1952

**Description and Scope of Project:**

To provide for expansion of OO SOVMAT Staff to  
provide for four field collection teams to participate with  
military services in obtaining and analyzing [REDACTED]

25X1

25X1

**Summary of Estimated Costs:**

01 Personal Services

25X1

**Special Provisions or Limitations:**

Activities should not duplicate those of the  
Military Services.

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**SECURITY INFORMATION**

CHAPTER V  
HISTORY OF THE  
SOVMAT STAFF